

**Department of Health and Human Services
Health Care Financing Administration
Operational Policy Letter #76
OPL98.076**

Date: **October 21, 1998**

Subject: **Continuation Area and "Visitor/Traveler Policy" for
Medicare+Choice (M+C) Plans**

QUESTION:

How will HCFA apply the continuation area policy to visitors or travelers under M+C?

Answers to specific questions on continuation area and temporary or traveler policies are addressed below, but due to the large number of questions we have received, we find it necessary to first clarify overall aspects of these policies. Please refer to the following sections of the Part C regulation: section 422.54 for continuation area and sections 422.74(b)(2) and 422.74(d)(4) for disenrollment information. Also, refer to Operational Policy Letter (OPL) Number 42, "Visitor Program - Affiliate Option" dated November 5, 1996. (This OPL needs to be updated due to BBA requirements, but most of the policy remains valid.)

When a Medicare enrollee moves to an out-of-service area location, the move may be classified in one of three categories: (1) a permanent move into a continuation area, (2) a permanent move into an area other than the continuation area, or (3) a temporary move. A plan may believe that a move is permanent based on notification from the member, or documentation of a change in permanent residence, e.g., voter registration, driver's license, etc. Also, any move that is or is projected to be, out of the service area for longer than 12 months is considered a permanent move. The different types of moves and plan actions are described below.

Permanent Move into a Continuation Area: (1) enrollees may elect to remain enrolled in the plan and all rules under section 422.54 apply, or (2) enrollees may elect to disenroll from the plan and disenrollment must be effective the first day of the month following receipt of the documentation of a permanent move or the enrollee's disenrollment request.

Permanent Move into "Other" (Non-Service, Non-Continuation) Area: As indicated in section 422.74(b)(2)(I), plans must disenroll the member; disenrollment must be effective the first day of the month following the

notification from the enrollee or knowledge by the plan of the permanent move. Before disenrolling the member, the M+C organization must give the member written notice of the disenrollment with an explanation of why the M+C organization is planning to disenroll. Please see section 422.74(c) for further explanation of the notice requirements.

Temporary Move into "Other" (Non-Service) Area: Benefit coverage during temporary moves out-of-the-service area must be defined in a plan's Evidence of Coverage (EOC) and marketing materials within the following parameters: (1) emergency, urgent, and out-of-area ESRD services **must** be covered, and (2) a traveler/visitor program **may** be offered by the plan for up to 12 months. However, the program must be available to all members of the plan. During an extended period of coverage for a traveler or visitor program, enrollees must be offered the same coverage that is included in their basic benefit package through affiliated providers in the geographic area where they are temporarily residing. (NOTE: That area may be the same as the continuation area.) In the past, 90 days was used as the average time limitation for a "snowbird" policy and plans frequently offered a visitor program under policies described in OPL Number 42 for temporary moves between 90 days and 12 months in out-of-area situations. Under the BBA regulations, plans may continue these arrangements or plans may offer preventive and routine coverage under other time frames as long as they do not exceed 12 months; e.g. extended coverage may begin after 30 or 60 days. Also, plans may use **the same networks and geographic areas** approved under the continuation area regulation to meet the needs of their visitor program access requirements.

Questions and Answers

1. What is the definition of "temporarily" out of the area?

A temporary move is: (1) an absence from the service area of 12 months or less, and (2) maintaining the permanent address/residence in the service area.

2. Is the 90-day out-of-area policy still in effect? Must enrollees who leave the service area for 90 days on a temporary basis be disenrolled from the plan?

No. M+C organizations must specify coverage for out-of-area services with the limitations as outlined in the definition of Temporary Moves above. Organizations must define in beneficiaries' marketing materials the coverage limitations of the plan based on: (1) type of move, (2) length of time from the service area, and (3) location of their move.

3. Concerning involuntary disenrollment, is the 90-day out-of-area termination replaced by the 12-month time frame?

The M+C organization must begin the disenrollment process upon notification by a member who has made a permanent move to: (1) a continuation area and elected not to remain with the plan, (2) an area other than the continuation area, or (3) if a member is found to be out of the service area for a period of more than 12 consecutive months. The 90-day time frame is not currently in regulations.

4. If beneficiaries are allowed to be out-of-area for longer than 90 days and up to a year with nothing but emergency/urgent services covered, it leaves beneficiaries with virtually no health coverage for 12 months. Is this HCFA's policy?

HCFA's policy requires that M+C organizations disenroll members who permanently reside out of the service area or who leave the service area for a period of over 12 months unless they reside in an approved continuation area. HCFA allows M+C organizations flexibility to develop programs to continue benefits for those members who temporarily leave the service area. For example, M+C organizations may offer travel benefits or Point-of-Service options to accommodate these members. The 90-day rule is currently not included in HCFA regulations.

5. How long can members be "out-of-area" without being disenrolled from the plan?

A member may be out-of-area for up to 12 months, if the move is a temporary move. If the move is permanent and into a continuation area, the member may elect to remain in the plan and, therefore, not be disenrolled; or, the member may elect not to remain in the plan and the disenrollment process begins upon notification. If the move is permanent and into an area other than the continuation area, the member must be disenrolled as soon as the plan is aware of the move and the beneficiary has been notified.

6. Please clarify the difference between continuation area and continuation of coverage.

Continuation area means an additional area (outside the service area) within which the M+C organization furnishes or arranges for furnishing services to its continuation-of-enrollment enrollees, who have permanently moved outside of the plan's service area. Continuation of coverage, as it applies to temporary moves, is defined by the plan within the parameters as described above: (1)

required coverage for emergency, urgent, and ESRD services, and (2) additional coverage through traveler programs is limited to 12 months, as described in the EOC and marketing materials.

7. Does a continuation area have to be contiguous to a plan's service area?

The continuation area may, but does not have to be, contiguous to the service area.

8. What is the benefit of having a continuation area?

The continuation area may be used to accommodate, by continuing benefits for, groups of members who no longer reside in the service area. Also, since Medicare beneficiaries are allowed to age-in from continuation areas as well as service areas, plans may meet the needs of more of their commercial populations through designating areas as continuation areas.

9. What payment rate does the M+C organization receive when a beneficiary moves to a continuation area? Must the plan provide the enrollee with the same level of benefits as provided in the plan service area?

Regulations at 422.54(e) state that HCFA will make capitation payments to M+C organizations based on rates established on the basis of the enrollee's permanent residence, regardless of where he or she receives services. The plan must provide, at a minimum, the Medicare Part A and Part B covered benefits.

10. Can continuation area coverage be offered through a different set of providers than those in the plan's service area?

Yes, a plan may use another plan's network or fee-for-service providers to provide coverage in a continuation area. Please see section 422.54(d) & (e) for details.

11. Can a member enroll in a plan with the intention of being in a continuation area for the first year of enrollment? Could they be in any out-of-area place and enroll?

No. A member must permanently reside in the service area of a plan in order to be eligible to enroll in that plan. A continuation area does not increase the service area of a plan. One exception: Regulations at 422.50(a)(3) allow M+C organizations to enroll eligible members who reside in a continuation area at the time they become age 65 (i.e. "age-in") if they are enrolled in the M+C organization's commercial plan.

12. How does a plan apply for a continuation area?

HCFA will develop an application and procedures for continuation areas. This information will be made available on the Internet at www.HCFA.gov as soon as it becomes available.

13. Must snowbirds reside in the service area for a certain number of months each year?

No, snowbirds do not need to reside in the service area for a certain number of months each year as long as the M+C organization's policies for temporary moves are within the parameters described in Temporary Move above. Temporary moves may not be longer than 12 consecutive months.

14. Can snowbirds enroll and disenroll each time they go to their winter residence?

Yes, however the enrollment/disenrollment options will become more limited as we phase into the election periods mandated by the BBA beginning 2002.

15. What does a M+C organization have to do to maintain its visitor program? How would this be covered in the plan's EOC and marketing materials?

A plan with a current visitor program should be able to modify the program to include BBA requirements with only minor corrections to their EOC and marketing materials. Once a visitor program is established and approved, standard renewal requests, material updates and monitoring procedures will maintain the integrity of the program.

16. Do plans with existing visitor programs need to reapply under continuation of enrollment rules?

No, visitor programs are designed to accommodate members who temporarily leave the service area, while the continuation area is designed for permanent moves. M+C organizations are required to fully explain all traveler policies in their EOC and marketing materials. If the M+C organization's visitor program is consistent with OPL Number 42, not many, if any, revisions will be necessary.

17. What is the definition of primary residence for purposes of enrollment and continuation in the plan?

HCFA's policy is based on "permanent residence," not primary residence as discussed in the regulations. M+C organizations may verify a member's "permanent residence" through documentation that establishes residency, such as, driver's license or voter registration.

18. If the member remains out-of-the-service area for over a year, but has not officially moved or changed address, must the plan disenroll the member?

Yes. However, the plan must follow appropriate notification procedures when following the beneficiary.

19. Are continuation areas offered at the organizational level or the plan level?

The regulation clearly states that continuation areas are offered by the organization. Many beneficiaries probably will perceive that it is part of their plan, since they are notified of continuation areas through marketing materials when they elect a plan, but HCFA will approve continuation areas on an organizational level.

Contact:

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This OPL was prepared by the Center for Health Plans and Providers.